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ABSTRACT

The feasibility of creating independent research and education centers that deal with public policy issues in developing countries is assessed. Countries that were surveyed include Brazil, Colombia, Bolivia, Costa Rica, Guatemala, South Korea, Philippines, Pakistan, and Nepal. For each country, a report describes the social and political climate in relation to establishing the centers. Also, recommendations are made for the feasibility of establishing an institution, desirability and extent of Agency for International Development (AID) support to make the institution viable, and degree of extent of technical assistance needed for each institution. It was recommended that (1) AID support social science research, not policy, in Brazil; (2) AID assist private persons' support of public policy research in Colombia; (3) AID not become involved in research institutions in Bolivia, Costa Rica, and Guatemala; (4) AID should encourage and assist the establishment of an institute in South Korea; (5) AID encourage private support for a center in the Philippines; (6) further inquiry into establishment of a center in Pakistan must be made; and (7) AID can assist cautiously a center in Nepal with high competence for research. (ND)

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POLICY RESEARCH AND EDUCATION INSTITUTIONS FOR DEVELOPING COUNTRIES

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ADVANCED STUDY PROGRAM

The Brookings Institution
Washington, D. C.

PRELIMINARY COUNTRY REPORTS

ON FEASIBILITY SURVEY

January 1971

MEMORANDUM

TO: Mr. Princeton Lyman
Chief, Civic Participation Division
Bureau for Program and Policy Coordination
Agency for International Development

January 29, 1971

Reference: Contract No. AID/csd 2603

We agreed informally to submit to you by the close of January 1971 preliminary drafts of survey reports regarding the feasibility of creating independent centers for research and education dealing with issues of public policy in selected developing countries.

Enclosed are preliminary reports prepared for the countries visited by James M. Mitchell and F. W. Luikart during the latter half of 1970. Countries in Asia and Latin America were surveyed during this period. Surveys in Africa have been delayed pending receipt of an entry visa from the Nigerian government. If and when the surveys are conducted in Africa, similar preliminary reports will be submitted promptly.

Each of the reports includes a general description of the climate for public policy research and education and our conclusions and recommendations concerning:

- the feasibility by country of establishing an institution for education and research in public policy;

- the desirability and extent of AID support to make the institution viable;

- the degree and extent of continuing technical assistance that would be needed for each institution.

These preliminary reports contain no embellishments about the coverage of the surveys such as the number of people interviewed and the sectors of society tapped for information, or any description of serious limitations which were confronted in making the surveys. Nor at this stage have we anything to report on the interest and competence of institutions in the United States to provide technical assistance to a developing institution. These matters will be covered in the final report which is due on or before April 30, 1971.

The individual country reports are arranged by geographical areas.

James M. Mitchell

James M. Mitchell
Director, Advanced Study Program
The Brookings Institution

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LATIN AMERICA

REPORT ON BRAZIL

Visited by F. W. Luikart
August 1-13, 1970

"Size," "complexity," "uniqueness," and "potential" have become banal descriptive terms used to portray Brazil and its development problems and potential. Yet the aptness of these terms and the accuracy of the image described contributes to ambivalence of an observer in Brazil who is trying to assess the feasibility and the practicality of encouraging, through AID, the development of an independent center (or centers) for research and study dealing with issues of public policy.

On the one hand Brazil is faced with myriad problems of planning and executing economic and social development. The need for neutral and dispassionate research and study regarding its development problems is great. The need is also recognized and admitted by many leaders of thought in Brazil. But the political climate is not conducive to the encouragement of such an institution now, especially by the United States.

U. S. interest in Brazil's development is natural and compelling because of proximity and size. Brazil represents the fifth largest nation of the world with a population estimated to be over 90 million. Frequently referred to as the "colossus of the South," Brazil presents a picture of tremendous diversity, untapped potential and a complex, if not unique, pattern of cultural and social relationships and historic themes.

Larger than the United States before the admission of Alaska and Hawaii, Brazil occupies nearly half of South America and borders on all but two of the other ten republics. It has extreme variations in climate, incredibly diverse vegetation and natural resources that are impressive by any standard. It has a common language and an apparent sense of destiny. It is the only Portuguese speaking country in the American continents. "Great diversity, untapped potential, and disadvantageous natural communications are the outstanding features of the Brazilian land. Geography provides at least part of the answer to those who ask why most of the country's population is still, after over four centuries of settlement, to be found within two or three hundred miles of the coast."1/ There is a great disparity of patterns of cultural and economic development among the diverse geographic regions of Brazil. In essence it can be said that one can find 20th century cultural and economic development in the urban centers living along side 18th century development in many of the rural regions.

Demographically, Brazil's population is a meld of many ethnic and racial groups so that one is impressed with the variety of shades of color and physical features found in the Brazilians. Portuguese colonization and domination beginning in the sixteenth century has determined the predominant ethnic and cultural characteristics. However, gradual

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1/ "A Note on Brazil," by James W. Rowe, American Universities Field Staff, East Coast South America Series, 1967.

assimilation of the native Indians, the introduction of Negro slaves and the flow of immigrants from Italy, Spain, Germany, and Russia plus the arrival of some 200,000 Japanese in this century make it difficult to speak with precision about the racial and ethnic composition of today's population.

While it is foolhardy to generalize about Brazilian traits and character, there are at least three themes in political and social relationships and outlook that are significant in relation to the purpose of this study. Each of these is identified carefully in James W. Rowe's "A Note on Brazil" referred to previously. One feature, evident at least until the post-1964 period, was the lack of violence and upheaval and the presence of conciliation, compromise, and civility in Brazil's political "revolutions." Little or no violence was involved in expelling the Portuguese authorities after the declaration of independence in the early 19th century. Over sixty years later the Brazilian monarchy itself was overthrown by a military coup -- but without fighting. In 1945 Getulio Vargas was eased from power without struggle. Other political crises in 1954, 1955 and 1961 were weathered without violent confrontation. Again in 1964 when political polarization threatened mass action the military-civil revolt overthrew President Joao Gulart in the tradition of little violence.

Another feature in Brazilian life described by James Rowe " is the oscillation of opinion between national self-deprecation and self-confidence

regarding Brazilian capabilities. At the moment psychological nationalism is on the rise. As one American business man put it, "Brazilians have overcome their national inferiority complex and have developed a superiority complex." The climate of development is one of surging confidence, dynamic and pragmatic. One gets the impression that Brazilians believe that they are on the move as a nation; uncontrolled forces for development are at work; and that development is inevitable. In essence, the climate is dynamic and pragmatic. This source also went on to say that in his opinion any government in Brazil at this time is nearly helpless to try to control or alter forces for economic development. The principal challenge to the government is to ride the forces and hang on.

A final feature of Brazilian life and history apropos this survey is the limited veneer of "democracy" in the political processes. James Rowe has described the political scene aptly as follows: "Thus although the Brazilian system of 1946-1964 contrived many legal, institutional (and often meaningful) appurtenances of Western Democracy, it would be more accurate to term it limited democracy -- pluralistic and increasingly open, but neither very representative nor competitive, due to the pervasive patron-client system in society and politics and the amorphousness of political alliances and programs."

Current Political Climate: It is frequently heard that this is a government devoted to the purpose, among others, of cleansing the society of

"impurities" that developed under past "democratic" governments. High government sources are closed to easy access by an outsider, especially American, and this is one of the limitations on this survey. The excuse given frequently is that those in the seats of power, the ministers and those who immediately surround the President, are hard to see because they maintain split schedules between Brasilia and Rio, and the schedule in Rio is uncertain because of crisis demands for the minister's time in Brasilia. The impression is created that few American officials deal infrequently with the power centers in the government, and that most of AID's contacts are with the working technical levels. This is evidence of the tenuous nature of the American presence in Brazil, and indicative in itself of the lack of possibility of American involvement in encouraging the development of an institution devoted to free inquiry and education on public issues.

The current regime, therefore, looks upon itself as the cleansing agent to rid the system of "impurities" in the value system which have developed under civilian leadership in the past. The enigma, however, is: how long will this regime remain in control. In contrast with past military regimes which played a tutelary role for a temporary period to achieve balance and stability in troubled times, this regime gives no sign of intent to relinquish power in the foreseeable future. It has already been in power for seven years. Civilian political leaders with

experience have been neutralized by the denial of political rights for ten years. The old political parties are in shambles. The question, which some say troubles factions of the military leadership, is: how and when can transfer of authority be made from military to civilian leadership? Some estimate five years, some not less than ten and some find no basis for thinking that the military regime intends to transfer power to civilians.

In this "cleansing" process major tenets of a free society have been abrogated. Habeas corpus has been suspended. The press operates under sporadic censorship. Free assembly and free association of people in common interest groups is denied. Under these conditions,-- it is obvious that a truly independent and neutral policy research and educational institution cannot flourish. The principal hope for the future rests on the assumption that this restrictive military regime will not last forever if Brazilian political history has meaning.

Existing Institutions: There now exist some social science research institutions which hold some hope for future policy research and education activities. They are not free now to address some of the most pressing public problems in the social and political arena. They must always keep an eye on and avoid attacking that which is sensitive such as family planning, population control, income distribution, centralization vs. decentralization of governmental functions, civil liberties, to mention a few. Yet, in spite of the restrictive climate, some social science research goes on.

Perhaps the most prestigious of these institutions is the Getulio Vargas Foundation which was founded in 1944. It has both public and private citizens on its board, but its principal source of income is provided by the Brazilian government. Its destiny has been guided since its origin by a distinguished but very practical and politically sensitive President in the person of Dr. Luiz Simões Lopes. Its major claim to fame has been economic research and the development of economic indicators in its price and cost of living indexes. These indexes have been accepted officially as a basis for policy-making in spite of the fact that on occasions they have been attacked as biased by both government and labor. Best evidence available indicates that rarely has there been any substance to charges that the indexes have been skewed to suit the convenience of political leaders.

But in the opinion of a number of people the Vargas Foundation is in "wretched shape," having lost its research momentum and is now quite bureaucratic and stodgy. Other than the indexes very little of value is being done in economic research. The former able head of the Foundation's economic research bureau has recently left that post to accept a government post and he admits frankly that it would be very difficult at this stage in Brazilian development to foster an independent institute which would be able to conduct neutral analysis on many of the pressing problems facing Brazil.

The Ford Foundation program in support of Vargas Foundation activities is gradually being phased out because of disenchantment with Vargas leadership and the lack of vital thrust in the Vargas program. A review of the Ford Foundation's program in Brazil reveals this clearly. The Ford Foundation representative is hopeful that in cooperation with AID and the Vargas Foundation there will be a review of the Foundation's goals and programs conducted by a group of outside experts. Unless and until this is done and new directions are charted, Ford Foundation will probably permit current program grants to Vargas to expire without renewal. The United Nations Development Program representative capsulized the criticism of Vargas' current direction in two counts:

1. Today it is more devoted to training (especially training in public administration) than to social science research, thereby depriving itself of mature research as a base for effective training; and
2. It has spread itself over many activities rather than confining its efforts and deepening its research.

The Brazilian Institute of Municipal Administration is another institution to be considered in the building of policy research and educational institutions in Brazil. Some consider it the strongest institution for training and consultation in municipal administration in Latin America.

It has received support from AID primarily for physical facilities and from the Ford Foundation for the development of a research center on local government. AID's relationships with IBAM are indicative of the political climate and the deep suspicion of American influence. AID has confined its support primarily to the construction of new buildings and has judiciously tried to avoid any image of trying to influence programs.

The principal focus of this institution is on municipal administration, the training of local officials in facets of administration and the rendering of consultative services on administrative problems. It is only beginning some research in administration. Furthermore, it is not prepared by way of staff competence or inclination to address public policy issues even as limited as the relative merits of centralization and decentralization of governing authority. Its vigorous and able director, Diogo Lordello de Mello, is fully aware of the sensitivity of the current regime to criticism on matters of organization or political process. The Institution is supported by government funds, and therefore de Mello steers a non-controversial course which emphasizes the methods and techniques of administration.

Another social science institution in Rio that holds some hope for future policy research and education is the University Institute for Research of Rio de Janeiro headed by competent scholar and good promoter in the person of Dr. Candido Mendes. This is a recognized academic institution accredited by the Federal Education Council. In

effect it is a small university devoted to accounting and business administration. It is an interesting example of an academic institution in Brazil which receives private support through gifts made to a foundation set up for that purpose. It also receives support from federal and state governments, from Ford Foundation and from contracts.

Some interesting social science research underway at this institution at the moment has to do with ascertaining attitudes in the private sector on the matter of supporting research and education, and attitudes of various sectors of society - lawyers, bankers, foreign entrepreneurs, and top government officials toward development. A further project, now in the planning stage, is to review and evaluate the impact of transportation on development.

This institution also exhibits caution in the selection of subjects for research so as not to arouse the sensitivities of government leaders. Officials here also express concern about the lack of a sufficient number of highly trained social scientists, especially political scientists and sociologists, to meet research needs. They reaffirm sentiment expressed consistently in the Brazilian academic community that there is a need for outside technical assistance to upgrade the qualifications of social and political scientists in Brazil.

CEBRAP: One of the most interesting and impressive academic institutions is found in São Paulo. The Brazilian Center for Analysis and Planning is of recent origin and in effect is an outgrowth of some of

the repressive actions taken by the current regime. It is composed of approximately a dozen social scientists, half of whom were dismissed from São Paulo University by the military regime for acts inimical to the public interest. Precariously the Ford Foundation is lending support to this group and so far there have been no repercussions of note. But the United States government through AID would not dare to support the group at this stage.

CEBRAP achieves a measure of respectability because some of its members are still on the faculty at the University. The organization is conducting work for the state government of São Paulo in planning for metropolitan government. Research and publication by this group have not been officially restricted, but the members of the group frankly admit that they are judicious in the choice of research areas. With some humor they explained why they thought that they had considerable freedom in research and publication. They reason that the military regime (especially the President) fears publication less than teaching because people do not read or are less apt to be aroused to action from reading than from exhortation in the classroom. Police are present on the campus of the University of São Paulo and observe activities in the classroom. The CEBRAP members are barred from teaching.

Another São Paulo research institution receiving support from Ford and others is the Economic Research Institute of the University of São Paulo.

According to the chief of the technical assistance team from Vanderbilt University at the institute, its greatest need is to upgrade the quality of the local economists.

Institutional Support: Even if the political climate were right for free research and education on public policy issues, there would still remain the problem of insuring independent financial support for such an institution. In spite of provisions for credits and exemptions in the tax laws for contributions made to educational and philanthropic organizations, there is very little tradition in Brazil for private support of education. With its twenty-seven reputable years in higher education and research the prestigious Vargas Foundation is still dependent almost wholly on government support. The University Institute for Research of Rio (Candido Mendes) is receiving some support from private donations, but fundamentally the institution is dependent for survival on government appropriations, contracts, and Ford Foundation grants.

Compounding the problem regarding independent status is the fact that Brazil does not have the established tradition found in other Latin American countries of the semi-autonomous status for state universities. Under the current regime futher inroads are made on academic freedom through direct threats and intervention by the government.

Nor at this stage in Brazilian development is there much hope to be found among American business interests for support for a policy

research institution even if such support were acceptable. American private interests do contribute to education for the development of skills such as engineering and management. But as one American business man put it: "The problem here is not one of problem identification; it is the development of know-how to solve problems that is needed."

Research and Education Capabilities: Even though one meets a number of impressive social scientists in Brazil there is evidently no depth of talent considering the size of the country and the scope and depth of the problems to be addressed. Consistently the plea in the Brazilian academic community is for more technical assistance in the training and development of Brazilian social scientists. Without exception all people queried in the academic community agreed that outside technical assistance would be needed to develop an effective policy research and education institution. Assistance would be needed in two areas: research and education methodology and the development of more Brazilians who possess professional competence in the social sciences. One source remarked that the diffusion of talent was serious. Therefore there ought to be some effort made first to coordinate the research efforts of a number of institutions in Rio and São Paulo. Furthermore, the major need is to develop a larger pool of well-trained social scientists.

Recognizing this need and acknowledging that the current political climate does not lend itself to encouraging institutional growth in neutral

policy analysis, the Ford Foundation in Brazil has turned its main efforts in the social sciences to the development of social science research skills. It has or is phasing out institutional support for the Getulio Vargas Foundation because of reservations about the quality of work and vigor in its leadership. The main thrust of the current Ford program is in the direction of developing social science research skills in people who may utilize them in analysis today on noncontroversial public problems and may be prepared to address the more controversial public problems when the political climate improves.

Hence Ford grants to the University Institute for Research of Rio, the Post Graduate Program in Social Anthropology at the National Museum, University of Rio, and the Institute of Economic Research (IPE), University of São Paulo, plus grants made to academic institutions in some of the other Brazilian states are for the development of graduate programs and for the development of research and training materials.

Summary and Recommendations: The reality in Brazil at this moment in history is the presence of a driving push toward national self-respect and economic development. It is a pragmatic atmosphere of "doing" not "analyzing and contemplating." The horse is galloping and one had better ride him the way he is going or be thrown.

Coupled with this dynamic development climate is a system of governance dominated by the military and devoted to the purpose of

cleansing the society of democratic impurities which became embedded in the society under past civilian leadership. So the story goes, the former concerns about the preservation of civil liberties and the encouragement of popular participation in government and in the fruits of economic growth seriously blunted the realization of national self-confidence and Brazil's potential for economic development.

The present government constitutes a break with recent Brazilian history and to some observers terminates the myth of Brazil as a democratic state. To other interpreters of Brazilian history the regime is temporary. But the unanswerable question is: how long will it last?

As one knowledgeable student of Brazil puts it: "The climate for American activity, whether research or action programs in education, the social sciences, welfare and manpower planning in Brazil is, then, distinctly unfavorable."[1/] Some institutions for social science research and education exist. But, they are not free to address some of the most pressing public policy problems. A further complicating factor is the sense of impending doom current among leading scientists resulting from the forced withdrawal of leading academics from some of the universities. Above all, this is clearly not a time for continuing educational work among leaders on sensitive public policy issues. While

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1/ "Political Participation in Brazil," by George Little, an analysis of the current situation in Brazil, prepared in September 1969 for the International Development Fund.

some research and publication on sensitive issues may be condoned, public discussion of sensitive issues in open forum is not possible under current leadership either out of fear, indifference or boredom growing out of earlier analysis and discussion groups run by abstract social scientists.

On the basis of these observations the following recommendations are made:

1. That no overt American attempt be made at this time to encourage the development per se of a policy research and education institution in Brazil;
2. That the best hope at the moment is to provide continuing support to existing institutions for the development of graduate programs in social science research and training in the hope that at some future date the manpower developed now may be available for programs of free inquiry and education on public policy issues.
3. That AID continue to support as much as it can the program of the Institute of Municipal Administration (IBAM) as one of the more efficient functioning institutions today and a hope for the future. Although it limits its scope to training and research in municipal administration, it does emphasize broad social science techniques and may be the key to a broader policy research and education in the future.

REPORT ON COLOMBIA

Visited by James M. Mitchell
October 31 - November 6, 1970

Policy makers in the development assistance area have, for some time, been sanguine about Colombia's potential for development. Consequently, the United States has invested a considerable amount of funds and technical assistance effort in this country to speed the process of modernization. For Colombia seems to have much going for it in terms of its material and human resources and a recent history of political stability. It remains to be seen whether we are confusing surface tranquillity, based on elite rotation at the top and either violence or exhaustion underneath, with real stability.

By reason of geography and topography Colombia has a bewildering range of potential exports, but its trade has been largely confined to a narrow range of items because it has not fully exploited its potential. Its coffee is well received in the world markets, especially in the United States; it is also an exporter of good quality sugar, rubber, bananas and tobacco. It also has a great deal of unused arable land.

In minerals Colombia stands third in Latin America in petroleum exports. It possesses one of the largest supplies of platinum, a world renowned resource in emeralds, a notable supply of gold and an abundant amount of acceptable quality coal. With these elements Colombia has quite naturally been a desirable target of our development efforts.

Political Climate: Among countries on the South American continent it is asserted by some that Colombia is unique politically because of its history of two party government dating back to the latter part of the nineteenth century. Accommodation between liberal and conservative parties over this span has provided a degree of surface political stability, but one cannot overlook what is referred to as la violencia between 1948 and early 1960. It is claimed that some 100,000 - 200,000 Colombians were slain during that period in the liberal - conservative feud.

During the past year quadrennial national elections were held. The results were close, Rojas Pinella and his daughter, considered extremists by many, made a substantial showing, and for a short time it appeared that orderly transition in government might be denied. But the crisis was passed without serious violence or unconstitutional acts.

The observation of some Colombians is that the country now has four more years of grace; but the future after four years is a large question mark. Therefore, the development of institutional arrangements for the independent analysis of public problems and policy alternatives is badly needed and should be done promptly.

Colombia is a society with a sophisticated elite who are vigorous and able. Considerable concern, however, was expressed by leaders in Colombian society during this survey about the present lack of public policy analysis, and about the great need for it at the earliest possible time. Anti-Americanism is not prevalent except from the far left, so

that it seems possible that American efforts and assistance, if kept at low profile, could be acceptable in efforts to develop an institution devoted to neutral analysis and education on public policy issues.

Support: There is also some evidence that private support for a policy research and education institution is possible to achieve. Several responsible representatives from the private sector, one in Medellin and two in Bogota, expressed enthusiasm for the idea of a policy research and education institution and indicated their intention to seek other private support for the idea. In their opinion if the right key is struck Colombian business interests can be attracted to support such an institution.

Some additional financial support would probably be needed at the start and this might have to be supplied by non-Colombian sources. Acceptable sources for this financing are: American business interests operating in Colombia, if contributions were made available after Colombian private interests had committed themselves; the United Nations Development Program and private American and foreign foundations. Direct U. S. government support for the project should be low profile, but U. S. support would clearly be acceptable if provided through a third party such as a U. S. research and educational institution.

To insure success a new policy research and education institution should have a solid financial base for the first five years. It is estimated that between $100,000 - $200,000 would be needed annually to provide a modest beginning. This would provide support for a professional staff

at all levels of approximately 15 - 20 people, plus supporting staff, supplies and equipment and space. The estimate for professional staff is based upon a suggested minimum of $300 a month salary for a full professional researcher or educator which would probably attract the best available.

Available Talent and Technical Assistance Required: While it is said that there are quite a number of able social scientists available in Colombia, it is also the considered judgment of those interviewed that outside technical assistance for the new institution would be highly desirable for the first five years. The major thrust of this technical assistance should be in the direction of assisting the institution in the development of over-all policy so as to insure its neutrality and quality, and in the design and execution of research projects and educational programs.

The consensus is that in order to achieve the desired reputation and status it would be wise to create a new institution. There are a number of higher educational institutions in Colombia. These are of varying quality, however, and serious question arises as to whether any single one of them is adequately prepared in attitude, resources, and talent to develop a viable and reputable policy research and education program. The National University is known to be of partisan left orientation. The University of the Andes is an elite private institution not prepared at present in scope, nor in talent available or in inclination to provide leadership in policy research and education.

The Institute Colombiano de Administration (Incolda) presents a possibility in the policy education area but not research at the moment. It enjoys a good reputation for its middle management training programs. It concentrates heavily on sensitivity training. With a staff of eighty and six centers of activity it receives good support from its members in the business community. Its emphasis, however, is on management techniques and not on the "what" of policy-making. The School of Business and Finance in Medellin and FICTEC, a new independent technical institute to assist small and medium size business firms in the application of new technologies, are not policy-oriented but are examples of private initiative in the educational area.

If the advantages of policy research and education are sold properly, and if the right sources of influence in the private sector are approached on this matter, it is entirely possible that a new institution could be created and would be well-received. Of great importance is the need to move early in terms of the current governmental regime so that some impact may be had on public policy before the next national elections.

Conclusions and Recommendations: There are hopeful but not certain signs in Colombia that the founding of an independent public policy research and education institution is feasible. Among some public and private leaders there is an admission of great need for such an institution, some evidence of understanding on their part of the concept of independent analysis and an expression of willingness on the part of

some to initiate efforts to bring such an institution into being. The underlying threat to the political stability of the country is probably the most discouraging factor.

In a country where two conservative elite groups share a monopoly of power, force and wealth, perhaps they can use the temporary tranquillity to edify themselves on some issues and respond more intelligently and gracefully when challenged. Hopes for such a venture should not be inflated. But the venture is worth the risk in the hope that forces will be set in motion that will improve the process of formulating public policy.

Several influential Colombians have said that they intend to initiate some organizing steps.

Recommendations:

1. U. S. AID/Colombia should follow-up with these gentlemen and offer assistance as appropriate.

2. Any organizing committee that is created to develop organization plans and to initiate steps to bring the institution into being should include prominent liberals and conservatives from business, government, and the academic world.

3. AID/Colombia should maintain a low profile in this venture, but it should be known to an organizing group that AID is willing to offer advice in the formation of the institution and technical assistance to the new institution when and if desired. This technical assistance might be

direct, or it could take the form of a grant of money to a United States institution which would be prepared to pursue a five year relationship with the new institution. The relationship should be one of assistance in the development of institutional policy, the design of research projects and education programs, and training in research methodology and educational techniques.

REPORT ON BOLIVIA

Visited by F. W. Luikart
August 13-18, 1970

As one reputable private Bolivian banker put it: "The time is not ripe here for a neutral policy research and education institution." The speaker was familiar with the Brookings Institution and its work, having been a guest at the Institution some years ago. This judgment was echoed almost universally by other Bolivian and American officials as well as by representatives of international organizations in Bolivia. Events in early November, with the forceful take-over of government by the Torres regime, confirm the estimates made in August as to the unstable political situation.

At the first meeting with U. S. AID/Bolivia mission officials the nature and scope of this feasibility survey were fully explained. With apology the mission officials acknowledged that they had misinterpreted the background information contained in the cables about this project. They had understood the survey project to be concerned primarily with the feasibility of encouraging institutions for research and training in public administration. There is a going public administration institution in Bolivia known as the Superior Institute of Public Administration (SIPA). With some technical assistance from AID this institute has some modest training accomplishments to show during its short history. Moreover,

the institution has recently been assigned a major task by the Bolivian government, that of planning for the implementation of the recently adopted Comprehensive Administrative Reform Act. The institution's director has been selected recently to be the undersecretary of the Ministry of Planning to direct this project.

Notwithstanding the misinterpretation as to the purpose of this survey project, the AID mission director and his colleagues thought it worthwhile to proceed with the survey during the four days allotted. An objective opinion which would confirm or deny their own judgments would be helpful. Some time spent at the Institute of Administration would allow judgment to be rendered as to its potential for an enlarged role in public policy work. It was also thought to be advisable to give special attention to the program and experience of the Bolivian Institute for Research and Social Action (IBEAS) since this institution more nearly represented public policy-oriented work envisaged in connection with this survey.

As indicated, the survey in Bolivia revealed a uniform pessimistic appraisal of possibilities for encouraging at this time an institution devoted to research and education on public policy issues. The grounds for this appraisal may be summarized in the following four significant conditions found in the Bolivian society:

1. the overwhelming predominance of government (the public sector), its restrictive and repressive characteristics which put severe limits on independent analysis of policy;
2. extreme sensitivity and antagonism to United States involvement in any venture that would appear to influence public policy;
3. lack of understanding of the role that a neutral research and education institution can play in improving public policy choices;
4. limited material and human resources, balanced against other urgent priorities, to support such an institution.

Political Climate: Our very perceptive political officer in the embassy was accurate in his estimate when he said that we were "sitting on a powder keg that could blow any minute." That the political climate in Bolivia is extremely unstable is indicated by the double coup which took place in a period of three or four days in early November. As one knowledgeable observer put it, "Bolivia is at a stage of finding a scapegoat for its troubles." The natural scapegoat is composed of the "imperialists" from the North. The nationalization of Gulf Oil interests in Bolivia has brought on an orgy of nationalism. As a result it is safe to say that the AID program in Bolivia is at a standstill, a holding operation. One high placed American official described the situation succinctly to the effect that the only reason for AID being in Bolivia at the present time is to fulfill in form if not content official United States foreign policy. The

President has made a great point of the fact that there is a special relationship between the United States and Latin America. If that be true then we must also show evidence of this special relationship in our relations with the component parts of Latin America. Hence, we maintain an AID mission in Bolivia even though its scope is severely restricted.

A special case that illustrates clearly the unstable political climate, discouraging for neutral research and education and antagonistic toward anything stamped U. S., is the tenuous status of the Bolivian Institute for Research and Social Action. This institute was founded in 1963 by American members of the Dominican Order to produce leaders for social change in Bolivia. Its principal functions have been: research and publication on a range of social problems; the provision of continuing education for leaders in social action groups; and counseling with social action groups. At one stage the institute was acceptable enough to be invited to do a research project for the Bolivian government on unemployment in Bolivia. It has also conducted modest research projects on various aspects of social conditions in the rural provinces in Bolivia. It has received grants from the World Council of Churches, contracts from U. S. AID for studies, and private gifts from the United States.

At the time of this visit its continued existence was stated by its director to be precarious. His prediction in August was that it would not last long as an independent establishment. It was being attacked by government elements as well as students on the left for receiving money

from private church sources in the United States and for the alleged receipt of a large gift from Gulf Oil interests in Bolivia. The director's prediction was born out three months later. On November 17, 1970, the New York Times reported that the institute had been occupied by the students and the property and buildings had been expropriated by government decree. No report is made on the disposition of the forty-five Bolivian members of the staff.

In a word the political climate in Bolivia is not ripe for effective research, analysis, and education on public policy issues. More decisively, it can be said that even a glimmer of hope in this area would be completely wiped out if American money were used to support such an activity.

Understanding and Resources: Without belaboring the case two other elements mitigate against any effort at this time to encourage policy research and education. There is a lack of sophistication in Bolivia about the role that a neutral center for policy analysis and education can play. A reputable Bolivian made this point and used the illustration of a recent effort. The Productivity Center for Development started out with considerable enthusiasm and private support. Within a year the private support disappeared and the institution is not presently active. In the opinion of this person the self-interest motivations of the private sector are so narrow that one could not hope to obtain private support for a public policy institution in five years or even ten years.

Finally, there would be the problem of staffing an institution. Best estimates are that it would take a considerable period of time to develop the research and education competence among Bolivians to convert a public policy institution into a truly local institution. Social science skills are scarce and modest in quality. According to the United Nations Development Program representative a whole generation of top-level professional people have migrated from Bolivia due to unstable political conditions. For twenty years the United Nations and the Organization of American States have been providing resources to train and upgrade professional people in Bolivia. Twenty-five percent of the United Nations program has been devoted to this cause. Yet it is difficult to trace where the people who have benefited by these programs are. Certainly a majority of them are not in Bolivia.

Recommendation: That AID not consider taking any steps to foster and encourage a public policy research and education institution in Bolivia.

REPORT ON CENTRAL AMERICA

Visited by F. W. Luikart
August 19-22, 1970

Costa Rica

Costa Rica is distinctive among Latin American countries and especially among the Central American group in a number of respects. Its population of approximately 2 million is composed almost entirely of people of European heritage, primarily Spanish; it has no native Indians; it is the second most rapidly growing economy in all of South America with a seven percent growth rate; its population growth rate is descending; and its income distribution is such that it is sometimes referred to as a "middle class" nation. In addition, it has a history of effective democracy since 1948.

Political Climate: The general political climate in Costa Rica is favorable for the conduct of independent research and education on public problems and public policy issues. Were it not for other factors, discussed later, one could be enthusiastic about encouraging and assisting an institution devoted to this purpose.

A strong, freely elected representative legislature prevails in Costa Rica. Free criticism of public policy and free association of people in common interest groups are protected rights. No military establishment is maintained, a unique feature among all nations and especially Latin American countries. Only five percent of the national

budget is allotted to the police function and there is a heavy dedication of the national resources to social, economic, and educational services. In essence, Costa Rica can be described as a "gem" of a free society in a troubled area of the world.

There are significant reasons, however, why major effort and resources should not be expended by the United States directly to develop and nurture an independent policy research and education institution in Costa Rica. From a practical standpoint, Costa Rica, due to size, location, and importance does not loom large in our national security considerations. It could be considered more significant in a central American regional context, an issue which is discussed later.

Sources of Support: A major stumbling block to the development of an institution with which this study is concerned is the problem of obtaining local support. Major, if not complete, local support in the beginning would have to be obtained from the government. Costa Rica has a strong tradition of autonomous agencies such as the university, the electric power, water, and social security agencies. Although created by government and in some instances receiving major support from government, these agencies are arranged legally and administratively so as to insulate them in a large degree from the vagaries of political influence. Nevertheless the initial decision to support an independent and critical policy research and education institution must be made in a political setting where the idea must vie with allocations to other priorities in a country with limited resources.

The level of continued support would also have to be made in this same political setting thereby impinging on the freedom of the institution in attacking critical problems.

Some measure of the financial barriers that have to be hurdled by such an institution is revealed in the response of one political leader. He understood the concept underlying such an institution and subscribed to the idea that it would be useful in Costa Rica; but he felt that government support would not go beyond $20,000-$25,000 a year. This represents between one eighth and one quarter of the annual income estimated to be required to support a modest institution in Costa Rica.

As far as could be ascertained, private sector support for an institution would be nil, especially in the beginning. There is little or no tradition of private giving for public educational efforts and it is estimated that it would take a number of years for an institution to develop a reputation that might attract such gifts. Similarly, support from American business interests in Costa Rica, if the decision is made solely by local United States representatives there, would be minuscule in comparison with need.

Adding to this dismal outlook is easily accessible evidence of mistrust between the business, government, and academic communities. The private sector would look with jaundiced eye on the university if government support were thrown in that direction. The academic community would be suspicious of an institution supported solely by

private interests, and so would government. And some segments of the business community would have serious reservations about the neutrality of any research and education institution which is solely supported by government.

Evidence of this latter attitude was clearly revealed in conversations with officers and members of the Board of Trustees of the National Association for Economic Development (ANFE). This is an organization composed of business and professional leaders who meet for educational purposes and publish articles and other materials, the general theme of which is opposition to governmental interference in private enterprise activities.

Finally, underlying the problem of support, direct United States government support for a policy research and education institution for any extended period of time would understandably create some suspicion and mistrust unless there were ingenuous conditions provided in the support arrangements. In Costa Rica the United States is looked upon with generally high regard, in contrast to the unhidden anti-Americanism in many South American countries. But even this good will would be severely tested if United States support were necessary on a long-run basis. Best estimates are that to create an effective and competent organization, three quarters of the needed $100,000 - $150,000 per year would have to come from the United States (or outside) and the support would have to be forthcoming for five to ten years. This is not desirable.

Technical Competence: A third discouraging element in the picture is the limited manpower resources of the caliber needed to staff an effective policy research organization. One is favorably impressed with a number of social scientists found in the academic world and their work gives evidence of some of the quality that would be required in an institution devoted to public policy issues. On the other hand, those who are considered to possess social science research competence of the quality desired are spread thinly to meet the needs and demands of the society. The first problem, not insurmountable but difficult, would be to identify a person of sufficient prestige to head the institution. There are not a large number from whom to choose.

Assuming on the basis of best estimates available that an institution composed of approximately eight professionals would be all that the society could support at the start, a fairly sizeable proportion of that staff would be composed of outside technical assistance representatives. There is general agreement among those interviewed that foremost among the outside help required would be a full-time person who is knowledgeable about research design on public policy problems. A reputable person who possesses this competence would be required to give assistance to the director of the institution in the beginning and for a period of at least three years. Perhaps the equivalent of two more persons from outside Costa Rica would be needed on a continuous basis

for the first three years to assist in showing the way in public policy research techniques and in public policy education.

Summary and Recommendations: In terms of political climate and outlook, Costa Rica is susceptible to understanding and accepting the concept involved in the establishment of an independent neutral center for advanced study and education on public policy problems. Such an institution would undoubtedly thrive if a sufficient amount of local private support were available. But factors such as shortage of local private financial resources and social science competence force one to conclude that Costa Rica is not an appropriate country for extensive effort by AID to encourage a public policy research and education institution.

It is therefore recommended that AID not expend resources to encourage such an institution.

In the larger setting of the Central American Region, Costa Rica would be a key factor in the development of a new institution. The problems involved in the regional approach are many and are discussed later.

Guatemala

Significant and obvious dissimilarities exist between Guatemala and Costa Rica in social, economic, and political structure. For instance, the Guatemalan population is ethnically and economically one of great contrasts. Approximately half of the people are native Indians; the other half are of European extraction primarily Spanish. A large proportion of the native population live in a primitive subsistence economy; the other half in a modern cash economy. Great contrasts in economic status are noticeable between extreme poverty and extreme affluence.

In the world of thought and approach to problems one is impressed with the validity of a generalization about Guatemala made by a highly placed and knowledgeable United States official: "Guatemala is a position-oriented society with positions narrowly parochial and little merit is assigned to the intellectual and analytical approach to problem solving."

Political Climate: In general it may be said that Guatemala is a free society with freedom of expression in all forms, limited repression of association and publication, and with a reasonably unrestricted legislative body and a free and independent judiciary. But qualities of reason and objective analysis seem to be missing ingredients among Guatemalans in approaching public problems.

Politics is a serious game here. It is "played for keeps" so that it is literally correct to say that political leaders actually commit their

lives to their professions. As one individual put it: "It's fair play to kill politicians." This seems to be an accepted value and there is an extensive record of violence on this score.

A small revolutionary group known as FAR seems to be the perpetrator of most of the political violence that goes on. This violence extends beyond the domestic arena to the kidnapping and killing in recent years of more than one diplomat accredited to Guatemala. As a result of this threat high placed American officials are usually surrounded with heavy guard in their homes and in their movements around Guatemala. This creates a pall of uncertainty over the lives of our representatives with repercussions on their confidence and enthusiasm as they go about their relations with Guatemalan officials in the economic and technical assistance areas.

Institution-Building and Support: The current AID director has been on the scene for about a year. He possesses considerable knowledge about Latin America from past experience and sees some hope for policy research and analysis in the Guatemalan scene in spite of many shortcomings. He recognizes, however, that such an institution will have to be developed with government support. This immediately raises questions about the neutrality, objectivity, and independence of the institution.

At the moment he is pushing a proposal to have AID underwrite, with a sizeable grant of approximately $500,000, a National Development

Center. This center would be related to the President's office and would have two principal functions. One would be to coordinate and serve as a clearinghouse of information and logistic support for both public and private agencies dealing with development problems in Guatemala. The other ingredient would be the establishment of an "Issues and Action Foundation" which would make research grants to individuals and groups who are committed to certain defined areas of social science research. It would be to this latter program that AID would make the grant. An educational activity on public policy issues could, in his opinion, readily be added to this institution.

Financial Support: There seems to be small hope that private funds could be attracted to the establishment of a nonpartisan research and education institution. Nor does there appear to be a glimmer of hope that private funds would be available to join with public funds for this purpose. This is evidence of the position-oriented society referred to earlier. The attitude expressed in Guatemala seems to be that education institutions should exist to promote a point of view, an economic philosophy or a social theory. Private interests look with deep suspicion on San Carlos University as oriented strongly to the left. A somewhat similar disregard is expressed about other privately supported institutions of higher education - one Jesuit, one Protestant, and one secular.

Further evidence of this schism between the private sector and academia and the private and public sectors is found in the current effort

by a local successful entrepreneur and economist to build a new private university of excellence. As he describes it, this institution will be privately supported and will address public policy problems from a private free enterprise "anti-socialist" point of view. It is his claim that as much as a million dollars or more will be raised from local contributors in the private sector. He also asserts that the minimum gift accepted to date is $7000. This entrepreneur has been the principal backer of a Center for Social and Economic Studies founded twelve years ago for the purpose of propagating the advantages of the free market economy and to revealing, as he describes it, the "economic miscalculation of the socialist theorists."

Assuming that he is successful in raising $1 million, this will be evidence that private funds for public policy education and research would be available. However, it is also evident that these private funds will not join with government funds to establish a neutral policy research institution because of prevalent suspicion on the part of the private sector about government control. Furthermore, this is abundant evidence to the effect that existing academic institutions are looked upon by the private sector as "hot beds" of socialist-Marxist economic and social theories and programs.

In this atmosphere there appears to be little that AID can do to foster a neutral independent institution. Perhaps AID's best course would be to support interest group institutions if a balance of forces can be identified.

Manpower Resources: There are also serious limitations on the reservoir of social science academic talent in Guatemala. One person interviewed, whose judgment is based on solid knowledge of the Guatemalan scene, estimated that between fifteen and twenty social scientists might be identified as reasonably competent men under our standards. Furthermore, the general level of education in these fields at the local universities leaves much to be desired. This lack of local competence is generally confirmed by others interviewed including Guatemalan academic people. In consequence, a considerable amount of technical assistance from outside would be needed to staff a new policy research institution. This action would run smack into another prejudice if the outsiders were Americans. For here there is an undercurrent of mistrust about American social scientists expressed along these lines: "The Guatemalans have been studied too much by Americans."

Summary and Recommendations: One cannot be sanguine about the possibilities of building a truly nonpartisan and independent policy research and education institution in Guatemala. Lack of strategic importance of the country to United States national security interests and the position-oriented nature of the society on social issues mitigates against the sizeable expenditure of effort and resources which would be needed to launch a viable institution. It would be much better to consider Guatemala as an element in the larger picture of a Central American effort in which the joining together of limited individual resources might

in combination be sufficient to provide a good base for the long run effectiveness of such an institution.

Standing alone Guatemala lacks: (a) the sophistication to support and encourage independent analysis of public problems; (b) the tradition of communication among sectors of the society on public issues; (c) the talent and level of competence in the social science community to conduct quality of research and education needed without a great deal of tutelage and assistance; and (d) the evidence of private resources available for commitment to such a venture - either alone or in conjunction with government support.

It would seem more advisable for AID to continue and even enlarge its technical assistance programs devoted to training in social science knowledge and research skills and to assisting local academic institutions to upgrade graduate training programs in these fields.

Central American Approach

Most knowledgeable sources of information about Central America agree that the ideal approach would be to encourage a joint effort among the five Central American states (with Panama perhaps participating) to build a policy research and education institution. Advantages to a regional approach are: greater ease with which a totally new institution might be started, thus avoiding conflicting jealousies among existing institutions which would surface in a single national effort; greater freedom from local national government control over projects; greater acceptance of American aid for the project since impingement on national sovereignty and national feelings would be diluted, and a community of interest among the five states in a number of important public policy problems.

Among the disadvantages would be: difficulty, if not the impossibility, of obtaining cooperation among the states to support the institution; the problem of locating the institution so as not to injure the national pride of any of the states; the threat of focussing on less real and germane policy problems that are significant to the region in order to avoid conflict.

An additional practical problem to be faced is: where can a "handle be found to hang the project on?" It is far more simple to get agreement on the values and advantages of a regional institution than it is to devise the plan and strategy to actually establish the institution. How would one go about it? That is the telling question.

It is said that Guatemala might endorse it, but insist on its location in Guatemala because of pride about being the largest, wealthiest and most important of the Central American states. Costa Rica might be enthusiastic because it sees value in Central American cooperation. But it might be fearful of Guatemalan influence over the institution. It is reported that there might be no serious opposition to the idea but a great deal of apathy in Honduras and El Salvador.

These reports are indicative of the real problems faced in trying to invent a regional policy research and education institution. American officials at ROCAP and in the U. S. AID mission endorse the idea of a regional institution as the ideal way of attacking public problems common to five small states whose resources are limited. The idea has been considered in the past but nothing happens beyond the idea stage because everyone is brought up short at the next step, namely, how to go about doing it.

Most of those interviewed agreed that it would be far easier to develop a regional policy institution by grafting this function on to an existing institution, rather than starting over from scratch. As one reviews existing regional organizations with this in mind, one finds few glimmers of hope.

ASUCA is the organization of the five state universities. Few people view this organization with any optimism as the body to rely on to foster

a regional policy organization. Its main program has been to accredit on a regional basis certain professional programs given in the individual universities, such as veterinary medicine given at San Carlos University, Guatemala. Beyond that ASUCA has shown no interest and made no effort to develop a regional research competence. This body's leadership is weak by design, and its prestige and standing in the eyes of the Central American private sector leaves much to be desired.

ROCAP, as a going regional organization on common market problems, cannot be considered because it is an arm of the United States government.

A regional environmental symposium project is being assisted by the U. S. National Academy of Science. There seems to be some hope that this may be the forerunner of a more regional cooperative approach to scientific and technological projects. Some of the five Central American countries have local national academies of science upon which to build a cooperative program in technological development. Some interesting guides in cooperative problem solving may emanate from this venture. Mr. Harrison Brown of the National Academy may be helpful in describing the pros and cons of this program.

Finally, and perhaps the most hopeful regional educational institution in being is the Central American Institute of Business Administration, attached to the University of Managra, Nicaragua. The School of Business at Harvard University is providing technical assistance to this institution.

Testimony received from those who know indicates that this program has had some success as a regional venture in education. This survey did not include a visit to the Managra institution so that a first hand appraisal cannot be given as to the current state of that program and the prospect, if any, of grafting on a regional policy research and education function. Mr. George Lodge is reputed to be interested in this project and one of the prime movers in its origin. Prior to the completion of this project it is hoped that further information may be obtained from Mr. Lodge which will permit a better estimate of prospects for this program.

ASIA

REPORT ON KOREA

Visited by James M. Mitchell
August 20-28, 1970

Among the countries selected for this feasibility survey Korea is unique in that major steps have already been taken to establish an institution devoted to research and education on public policy issues.

The establishment of a Korea Development Institute was first discussed by AID and Korean officials in 1968. The idea languished for awhile and then in April 1970, at the suggestion of the U. S. AID Director, a joint working committee of Korean and U. S. AID officials began a concerted effort to refine a statement of public policy research needs and the organizational characteristics of an institution that might meet these needs.

By August 1970 the discussions reached fruition in the form of a draft law, a draft of the enforcement decree and draft articles for the organization and operation of a Korean Development Institute. On the 17th of August, just prior to our visit, enabling legislation for the Institute was approved by the cabinet. As of that time the proposed legislation was being considered by committees of the National Assembly and was expected to be enacted in the near future. The exact status of the legislation and the Institute is not known as this report is being prepared.

Analysis of Proposal: The advanced stage of the proposal to establish a policy research and education institution in Korea required that the survey take a different tack in Korea than that followed in other countries. The course of inquiry that seemed to be most profitable pointed to (a) analyzing the pending proposal for strengths and weaknesses as compared to an "ideal" model of a policy institution; and (b) assessing the general political and social climate in Korea for indications of possible success or failures of the institution in reaching the objectives set for it.

Koreans and Americans who worked jointly on the project proposal clearly reached agreement as to the need for a policy research and education institution. Throughout the document there is a liberal sprinkling of comments on this matter, such as:

> "The need for competent and continuing research on public policy in Korea is clear."
>
> "The need for competent research on public policies to be available to the executive offices of government is unquestioned."
>
> "The institutional structure within the Korean government for research on public policy is not strong."
>
> "... The Institute can make an important contribution to the development of democratic processes in Korea. Through public discussion of policy issues... The Institute can introduce a forum for interchange of ideas" [among different segments of the society].

The alternative of building policy research and education in an existing institution, the university, was considered and it was concluded

that disadvantages outweight the advantages. The insulation from government of a university-based policy institute is considered an advantage but seems to be far outweighed by such factors as:

- the strictures imposed on its independence by the administrative processes of the university;
- jealousy among existing universities for designation as the host of the new institute;
- unrest that would result from unequal pay administration as between university staff and institute staff;
- tendency to regard an institute attached to a university primarily as an educational rather than a research institute.

Among the characteristics recognized as essential to a viable and effective policy institution is autonomy in both fiscal and policy matters. On the fiscal side the proposal calls for the creation of an endowment fund of approximately 9 million dollars. AID's direct contribution in dollars would amount to approximately $1.6 million. Korean government contribution would make up the balance and would include the value of the land contributed. Slightly over $4 million of this would come from Korean-owned counterpart funds. Interest on the endowment is estimated to provide the institution with about $1,000,000 per year income, depending on prevailing interest rates.

Additional government support seems to be anticipated in the provision that permits the institution to accept "budgetary support" from government

"or other legitimate donors for its operating and research activities." However, the institute would be prevented from accepting contracts with individual or private organizations for the conduct of particular research projects. The outright denial of this contracting privilege is probably necessary even though other provisions could be made to preserve autonomy even with the acceptance of contracts.

Since the source of original financing of the institute is government, it is felt, evidently, that government representatives should have at least five of the nine seats on the board of directors. On the surface, at least, this compromises the principle of independence and autonomy. However, the directors would have authority to approve annual budgets and expenditures without going through the normal government budgetary approval process. Public accountability is to be achieved through a public reporting process on program and financial operations.

The proposed law endorses the principle of protection of the scholar in his research from outside influences and the right of "free publication" of research findings by the institute. The only standard to be applied by the board of directors in accepting or rejecting research publications is quality of the research. Key to achieving protection of this freedom in publication will be the attitudes and actions of the board of directors and the nature of the internal procedures of the institute. Careful attention should be devoted to the development of the bylaws.

Finally, the proposed law provides for an interesting organizational arrangement for the selection of research subjects. A research advisory committee, representing various segments of the community, will advise the managing director of the institute on this matter. If this group is composed of representative, knowledgeable and prestigious members of the Korean community, it can have significant influence on the research program of the institute, and it can be instrumental in building acceptance and prestige for the program.

Assessment of the Political Climate: Our observations confirm the finding which underlies the project proposal that there is a recognized need among Korean leaders for an independent institute devoted to research and education on public policy issues. There is a telling need for a bridge between the academic community and government and business. The central issue is: how independent and autonomous could such an institute be, given the present political climate in Korea? Also, accepting the fact that the ideal model of independent research and education cannot now be achieved, is there enough tolerance and support in the society to create an institute that can have some impact for "good" on public policy problems?

The answer seems to be clearly "yes." The institutional model that can be created will be a compromise with the ideal but in the words of the project proposal, it can be expected to contribute to democratic policy-making in Korea through its inclusion of representation of significant

interest groups in the selection of research topics and in the consideration of research findings and recommendations.

The government sector is an overwhelming force in the Korean society, and it exercises controls in areas that are free in the United States. True independence for an institute of this sort is not possible today. Nevertheless, there are hopeful signs that encourage optimism in respect to the project. Not only is there a recognition of need among leaders for policy research and education at this stage in Korean development, there is an understanding of the concept of free research and free education and the contribution this can make to economic and social progress. The possibilities are best on the economic side because Korea is basically a capitalistic economy and a free market system; there is some latitude for entrepreneurial choice, and choices have to be made among economic policy alternatives. There is also a recognition that industry and government must communicate better with each other. Research and education on more sensitive social and political policy issues should develop if the new institute builds prestige and acceptance by the early choices that are made and through the quality of its product.

Manpower and Technical Assistance: Another favorable factor is the availability of talent in Korea. Good scholars, especially in economics, are available in Korea and many more Koreans trained and living in the United States could be attracted to the new institute if salaries offered

are adequate and scholarly research opportunities are evident. Technical assistance would still be needed from the outside, especially in the early years, to guide the design of research and education policies and projects and to enhance the prestige of the institute. American influence is accepted and desired. German and British influence are also acceptable. Probably the best results would come from the selection by Koreans of an American, German or British institution to serve as a continuing technical assistance backstop for the first three to five formative years of this institute.

Finally, another step has already been taken in Korea that is encouraging for the over-all research climate and paves the way for a policy research institute. The Korean Institute for Science and Technology has recently been established. It is well financed with an endowment and with organizational arrangements similar to those proposed for the policy institute. The Battelle Institute of Columbus, Ohio, serves as the technical assistance agent on a sizable contract. It is reported that able Korean scientists are returning from the United States to work at the new technical institute.

Conclusions and Recommendations: The initiative shown by Koreans in conjunction with U. S. AID/Korea in proposing the creation of a Korean Development Institute should be encouraged at the Washington level. Limitations on the immediate success of the proposed institute are present

and have been noted. On balance, however, the possibilities of contributing to the formulation of better public policy through this institute are worth the investment proposed. Some of the limitations may be reduced if certain actions are taken in the formative stage. To that end the following recommendations are made:

1. Encourage Korean efforts through revision of tax laws and promotional efforts to attract free private support for the new institute;

2. Without additional private support immediately available, encourage the leadership of the new institute, if and when established, to undertake programs wholly within the income of the original endowment so that additional government support with accompanying controls need not be sought;

3. Encourage Koreans to revise the proposed legal provision for representation on the board of directors so that the majority of the nine board members are chosen from the private sector;

4. Give every assistance possible to the recruitment and selection of an executive director of the institute who possesses a strong sense of intellectual integrity and courage, competence in administration and a prestigious reputation in Korea;

5. Devise internal bylaws and procedures so as to protect the freedom and integrity of the scholar such as drawing a clear distinction between the authority of the board of directors to approve research

and educational programs and projects before undertaken, but reserving the decision whether or not to publish results or conduct programs to the full-time executive director. This should help to insulate the scholar from unwarranted pressure that might be exerted by members of the board who do not devote full time to the institute;

6. Encourage an early effort in the institute to balance its research so that economic studies are not overemphasized;

7. Encourage the leadership of the new institute to balance research with educational conferences and seminars for leaders in public and private life to encourage dialogue among the segments of Korean society and to insure that research findings are brought to the policy-makers;

8. On Korean initiative and with complete acceptability to the Koreans, AID should make a technical assistance grant to a competent institution in the United States to provide backstopping assistance and program guidance during the first three to five years. A rough estimate of the amount needed is approximately $200,000 a year.

REPORT ON THE PHILIPPINES

Visited by James M. Mitchell
August 30 - September 4, 1970

A prevailing popular view of the Philippines is that the country suffers from an excessive population growth rate, an unsatisfactory economic growth rate, an unresponsive political system plus increasing crime and corruption and a menacing insurgency. Yet, a recent Rand Corporation report to AID goes on to assert that a major portion of this discouraging view is based on inaccurate perceptions.[1]

"The Philippines has been viewed as a nation in crisis partly because of the kind of information produced by the Philippine reporting systems. Although its performance is adequate (political and economic), it will be difficult for the country to do very much better unless information systems are more closely articulated with policy making".[2]

Policy Research Need and Climate: This limited survey as to the feasibility of developing a policy research and education institution in the Philippines supports the finding that perceptions of the Philippines as a nation in crisis, unstable politically, stagnant economically and seriously unsettled socially are inaccurate and confirms the serious need for the development of better information about the society which can be used in policy-making. Moreover, there is an honest recognition among Philippine

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1. "The Crisis of Ambiguity: Political and Economic Development in The Philippines". A report prepared for the Agency for International Development by the Rand Corporation, January 1970.

2. Ibid.

leaders in both the public and private sectors that an independent institution devoted to neutral analysis of public problems and the dissemination of information about these problems would fill a serious gap in the policy-making process.

Not only is the need recognized, but there also appears to be understanding among these leaders of the concept of independent analysis and education regarding public policy issues. They are not unaware of the reality of the findings of the Rand Corporation survey that there is a significant degree "of congruence between the views of the public and the politicians." A major national problem is that the politicians are victims of a very poor information system on public problems.

The Philippines also offers an open society, a necessary condition to developing a viable and effective public policy research and education institution. The right of habeas corpus is protected; the press is free even though it is regarded as biased, politically motivated and possibly directed; and free association of persons with common interests is permitted and protected. In essence the climate is ripe for a free institution which would develop facts about public problems and provide a forum for dissemination of needed information.

Support: The consensus among those interviewed is that a policy institution of the nature considered in this survey should best be financed in large measure from private sources. The considered opinion of many

people is that this is possible under certain conditions. If as much as twenty percent of the annual budget of somewhere between $300,000 and $500,000 could be guaranteed for five years at the start, possibly from a foundation or an organization of the United Nations, the general feeling seemed to be that the remaining eighty percent could be raised annually through contributions from the private sector, although some Philippine government help might be a possibility.

Some leading Filipinos think that the necessary support can be obtained and have said that they will pursue the idea. The United Nations or the World Bank would be acceptable sources for this endowment grant and the United Nations Development Program has funds to support this sort of activity if the Philippine government were to request them.

Technical Assistance: Official American endowment or a direct grant for a policy institution would probably not be acceptable. Rightly or wrongly ours is the colonial power image. Our continued maintenance of large Air Force and Naval bases in the Philippines under treaty rights serves to encourage a degree of anti-Americanism. However, some technical assistance from the United States might be graciously accepted in a young institution. Also acceptable would be scholars from Australia or an advanced country in Europe to assist in the design and development of research and education programs.

Most of those interviewed expressed the view that a policy research and education institution in the Philippines would probably be better off if established separate from any existing institutions. However, relationships with an institution like the University of the Philippines and the Council for Economic Development should be provided whereby scholars in those institutions could be associated with the new institutions on a project by project basis.

Some members of the staffs of existing institutions would have to be attracted to the new institution on a full time basis. This process would take from the best universities some of their very able talent, which is not in great supply. Even then, it is estimated that technical assistance from outside the Philippines will be needed for at least five years in order to insure the quality of the research and education products. As one source put it: there are many reasonably able scholars in the social sciences in the Philippines but few are of the top quality required to build the reputation of a new institution.

Summary and Recommendations: The political climate is ripe and the need is recognized for a policy research and education institution in the Philippines. Leaders in the private and public sectors express interest and a willingness to promote the establishment of such an institution. There is also an expression of confidence in the Philippine community that competent local leadership for such an institution is available, recognizing that some outside technical assistance would be desirable for several years in order to insure the quality of the product of such an institution.

A major ingredient required to launch such an institution would be a guaranteed income approaching $100,000 for five years. Confidence is expressed that, if such a gift were forthcoming, the needed additional funds could be raised from the private sector. With this financial support it is estimated that a modest but effective institution could be established.

The source and availability of the guaranteed income is the critical issue. Although a direct U. S. Government contribution would not be acceptable, a grant from a private U. S. foundation, a subsidy from the United Nations' parent organization, or any of its constituents, and limited Philippine government support would be entirely welcome. The major hope, then, rests in the private sector, since direct Philippine government financing of the institution might cast a cloud of suspicion over its neutrality and independence. Several private Philippine citizens have indicated interest in the project and they should be encouraged by the U. S. AID/Philippines mission.

Moreover, there is agreement that the institution once established could undertake work for the Philippine government under contract as long as the income derived therefrom does not represent the major support.

Finally, if support for the founding of a policy research and education institution is obtained it should be established as a new institution, unattached to any existing education institutions. Its prestige must be acquired by the selection of a director with recognized competence and by the quality of its product. Existing academic institutions, and possibly the government,

should be drawn upon for the development of permanent staff. Some technical assistance from the outside will be needed during the first five years. Here AID could be helpful by providing grants for this assistance.

Recommendations:

1. AID should continue conversations with key individuals interviewed in this survey to encourage their interest and efforts in seeking and obtaining an endowment.

2. AID should exhibit willingness to render technical advice and assistance, if sought, regarding the design and development of the organization and program of a policy research and education institution.

3. When established, the institution should be encouraged by AID to seek technical assistance grants to attract outside experts to assist in developing policy research and education programs.

REPORT ON PAKISTAN

Visited by F. W. Luikart
September 29 - October 11, 1970

The current political scene in Pakistan is one of hope but in a state of uncertain flux. For the first time in the history of independent Pakistan a general election was held in early December to elect a constituent assembly. Uncertainty as to whether the scheduled election would be held, prevalent at the time of our visit, has been resolved. But there is a second uncertainty relating to the outcome of constitution drafting by this assembly and whether or not it will be acceptable to the current military regime.

Since January 1970 political activity by civilian groups in preparation for the election had been allowed for the first time in a number of years. Party organizations were revived, party lists were announced in the fall, after what seemed to some to be endless delay, and bargaining among parties for consolidated efforts took place without too much success.

The prediction in October was that the Awami Party, lead by Sheik Mujibur Rahman, in East Pakistan would probably draw a strong plurality in the election. Speculation then centered on whether Sheik Rahman could forge a coalition with one of the parties in West Pakistan to control the assembly and insist upon conditions in the new constitution which would provide for provincial autonomy.

The elections on December 7 actually gave the Awami party an outright majority. Whether this surprising success will encourage Sheik

Mujib to demand a greater degree of provincial autonomy for East Pakistan than is acceptable to President Yahya Khan remains to be seen. He may see advantages in compromising demands for outright autonomy in order to occupy a position of power and leadership over the whole state of Pakistan. If not, and if he presses demands for autonomy too far, the result could be a serious setback to constitutional government in Pakistan.

Preliminary Nature of Inquiry: The nature of the current unsettled political situation in Pakistan limited the inquiry to a preliminary and tentative probing operation. Of necessity, serious limitations were placed on the depth and sources of inquiry because of the extreme caution that had to be observed in dealing with government power centers. As a result, contacts with government sources and the power elite were limited and cautious. More definitive and precise conclusions about the prospect of encouraging a policy research and educational activity in Pakistan must await a more in-depth inquiry following, and depending upon, the outcome of the deliberations of the constituent assembly.

Pakistan Government Approval: Any steps taken officially by the United States government to assist a policy research and education institution(s) in Pakistan will require approval of the Pakistan government. The most accessible means by which such an activity would be assisted by the United States is through the allocation of a block of counterpart funds sufficient in amount to insure continuing income and a degree of

independence. To accomplish this a careful strategy must be designed which will stimulate respected Pakistan elements to influence the power centers in the Pakistan government to initiate and support the proposals. This survey did not go into sufficient depth to permit a careful definition of the strategy which should be employed, nor to identify the power centers which must be touched. In any event, both the strategy and the centers of power may be significantly altered by the results of elections. A follow-up visit for this purpose may be deemed appropriate when the results of the constituent assembly are revealed.

East-West Division: (A) If the elections bring some semblance of constitutional participatory government and some political stability, and (B) if it were then decided that the United States might officially assist policy research and education activities in Pakistan, very careful consideration must be given to the following issues:

- whether to encourage a single national policy research and education institution;
- whether to encourage two institutions, one in the West and one in the East;
- whether, if decentralization is further encouraged under a new constitution, institutions in each of the provinces would be more acceptable, or
- whether a pluralistic approach would be feasible and acceptable, the encouragement of interest group research and education centers for industry, labor, farmers, etc.

Impressions received from this preliminary survey lead to the tentative conclusion that the least controversial approach to the East-West issue is for the United States to encourage two policy research and education institutions, one in the West and one in the East. Each would at the start have to have considerable autonomy. Organization and authority mechanisms might be built in the original act which would provide a means for eventual coordination of the two institutions from a national point on common problems. This might be accomplished by the creation of a national allocation and coordinating board with enough ambiguity in its charter to permit limited and expanding authority over the work of the institutions as the reality of a national approach permits.

West Pakistan: None of the existing universities in the West seem to be geared at present to provide the "right" sort of flexible climate in which a policy research and education institution could flourish. The typical inflexibilities and bureaucratic limitations in universities are found in Pakistan and provide threats to free functioning of such an institution and hazards to full utilization of resources that might be made available for this purpose.

The most exciting existing institution in West Pakistan is the Pakistan Institute for Development Economics. Although this institute is closely tied to and almost fully supported by the official planning body of the national government, it seems to operate with considerable freedom

in identifying economic policy problems for research. It possesses able leadership which is familiar with the heavy hand of bureaucracy. With deft and alert moves the leadership seems to be able to maintain a sufficient degree of freedom to pick and choose key issues to address.

This institution has received some technical assistance and financial support from the Ford Foundation and the United Nations. Its competence and its primary focus is in economic studies. If encouraged, its scope could and should be broadened to include research in other social sciences and education activities on broader social questions.

This institution is now headed by an East Pakistani and a number of the staff come from that region. At the time of this visit there were indications that efforts were being made to move the institution to East Pakistan. If moved, what impact this might have on the institution's reputation and prestige is hard to assess.

East Pakistan: A central issue here is whether to build a policy research and education activity in Dacca University or to encourage an independent institution which would have ties with a number of existing institutions and would have some coordinating influence over the work and talents residing there. There is the Pakistan Academy for Rural Development in Camilla, a reputable training and research institution in rural community development, the Institute of Statistical Research and Training (East Pakistan Government), the Bureau of Economic Research, Dacca University, and the Training Research, Evaluation and Communications Center for Family Planning, a government institution with Ford

Foundation support. Each of these is capable of conducting valuable research and education on specialized segments of public policy issues. Each, however, is jealous of its status. It is difficult to conceive of identifying one of these as the center and obtaining cooperation from the others.

Consequently, one is forced to the tentative conclusion that a central independent organization for coordination of these activities would be the most desirable and acceptable solution. It might be possible to establish a policy research and education coordinating board made up of government, academic, and private citizens. Money could be funneled through this board to research and education activities in each of the established institutions. This board could have a chairman who revolves among the heads of the existing institutions. Its principle administrative officer should be a person of outstanding reputation and respect in the academic and government communities. At the start the core might be composed only of a minimum of staff for central research and education activities. Its main function might be the allocation of funds for well-defined projects among existing institutions. Eventually the core staff and activities might be enlarged and most research and education activities might take place there, using existing institutions as the source of talent for temporary assignments.

Private Support: There is little, if any, prospect at this time of obtaining private support for an institution in East Pakistan. This part of the country is primarily an agricultural community. Some industry and commerce is developing, especially in Chittagong; but at present there seems little likelihood that private wealth is either sufficiently large or inclined to support a policy research and education function. Therefore, the government, national and provincial, is the only source of support outside of foreign funds. This naturally raises serious questions as to the degree of independence that can be built into an institution for policy research and education.

In the West there is privately held wealth (the twenty-two families) and there is also evidence of a growing private entrepreneurial sector, especially in Karachi. There is no evidence now that any of the families are about to become the benefactor of an institution of this sort. However, the new president of the Karachi Chamber of Commerce subscribed enthusiastically to the need for a policy research institution. Even though he obviously thinks in terms of research which is oriented to the needs and desires of the private sector as a counterforce to government, he also offers convincing arguments that the private sector might be influenced to support a research institution once it has been established and has produced research and educational activities prestigious and convincing. It would be unwise to discount completely the prospect of private support after an institution has some accomplishments to show.

Pluralistic Approach: Not to be discounted out of hand is the possibility of encouraging and subsidizing, at the beginning, policy research and education institutions related to interest groups. The private sector in Karachi, for instance, provides evidence of considerable vitality in attempts to influence public policy. Its efforts are naturally directed to trying to reduce the controls exercised by government over private entrepreneurship. The president of that chamber and his immediate staff were quite impressive in presenting a case for assistance to conduct research and education on a number of business and economic problems.

To be sure the Karachi Chamber of Commerce has a definite policy bias. Nevertheless to build a pluralism in a society there is a need for vigorous oriented interest groups. It would seem worthwhile before all decisions are made to probe further in Pakistan to ascertain whether there are other interest groups in labor, agriculture, and education which possess the potential vitality and the motivation to conduct research and education on public policies of vital concern to them.

Even though these interest group-based institutions would exhibit bias the balance of forces represented by them might contribute to the development of a pluralistic society. Naturally the foremost question is whether the Pakistan government would even begin to entertain the idea of releasing funds to support a number of such institutions. United States policy-makers might also be confronted with the tough issue of whether they would endorse the use of counterpart funds for this purpose.

Counterpart Funds: The accumulation of local currency mainly from P.L. 480 is large. The exact amount is a matter of public record, not verified in this inquiry. Suffice it to say the amount is several hundred million dollars. This fund represents a distinct possibility, given other desirable conditions, for the funding of a significant portion of policy research and educational activities in Pakistan if the United States would consider it wise to allocate a portion for this purpose. The fund could not provide needed foreign exchange for such activities, and other means would have to be sought to satisfy this need.

Key elements which should be considered, if it were decided to use these funds to endow policy research and education activities, are:

1. the development of a carefully thought-out strategy to obtain Pakistan initiative to request that a portion of the funds be used for this purpose;

2. acceptance by the United States of the rule that there would be only a minimum set of conditions and controls imposed by us in the use of these funds, such as:

- subscription by the Pakistan government to the broad purpose of social science research and education;
- assurance by the United States of guidance in the organization of the activity to insure effective organization and leadership for the activity;

- possible desirability of obtaining concurrence of Pakistan government to requirement that the purpose of the institution specify certain problem areas for research at the start in order to attract widespread favor and support such as: employment, education, family planning, etc.

Amount: Estimates as to amount of annual income needed to support a modest and effective policy research and education institution are based on a very tentative and hurried appraisal of the situation in Pakistan. These estimates, however, have been developed from answers to direct questions which were put to both Pakistani citizens and Americans. There was a surprising amount of consensus based on availability and cost of talent to man the function, judgments as to priorities in resource allocation, size and wealth of the country and the problems to be attacked.

Assuming that it would be unwise to attempt at this stage to foster a single national policy research and education institution in Pakistan, the estimates are that each of two institutions, one in the West and one in the East, would require six to ten lacs per year annual income ($150,000 - $200,000). Additional foreign exchange would be required by each for foreign technical assistance and for overseas training. This amount of local currency would provide the needed capital investment for space, equipment, supplies, and library plus support for from fifteen to twenty-five professionals of various grades and clerical assistance.

This amount would permit a modest but adequate beginning. As time passed and the prestige of these institutions is established, more support would undoubtedly be needed and the hope would be that this might be forthcoming from local sources.

Recommendation: Final decision about assisting in the establishment of policy research and education institution(s) in Pakistan should be reserved until the results of the deliberations of the constituent assembly are in evidence. Depending upon this outcome further inquiry in Pakistan might be in order to resolve the major issues and questions identified in this preliminary survey.

REPORT ON NEPAL

Visited by F. W. Luikart
October 11-13, 1970

Considering elements such as local political climate, stage of development, importance to our national security and overall foreign policy, and limitations on national resources, Nepal has not been considered top priority for this feasibility survey among the nations receiving U. S. aid. The local AID mission, however, requested that a brief review and evaluation be made of the Center for Economic Development and Administration in Katmandu if a short visit could be scheduled in connection with the visit to Pakistan.

The Center, known as CEDA, is a social science research and public administration training institution in the embryonic stage. It came into being in May 1969 under a cooperative agreement between the government of Nepal, Tribhuvan University, and the Ford Foundation to accomplish the following:*

"1. to provide a high level institution for inservice training and career development for His Majesty's government and other government and private sector enterprise personnel.

"2. to provide facilities and encourage and conduct applied research activities on a regular basis...

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* Progress Report covering the period from May 15, 1969 through June 25, 1970, Center for Economic Development and Administration, May 1970.

"3. to develop a facility with competence for providing consulting services. This consultation will be focused upon the same area, being emphasized in the Center's training program.

"4. to improve the capacity of Tribhuvan University to fulfill its unique role of education in Nepal by appropriately involving the departments of economics, commerce, political science, sociology, and other related areas in the work of the Center, and by offering to Tribhuvan University research services, and

"5. to assist the concerned Tribhuvan University departments to improve the level of instruction and research competence in the disciplines of economics, commerce, public administration, and other related areas by the honorary participation of the Center's staff members in the teaching programs of Tribhuvan University."

Ford Foundation took the initiative in forming this semi-autonomous institution as an outgrowth of its experience in encouraging more effective development planning and administration in other developing countries. It is reported that Ford Foundation officials hoped to have more impact on the quality of development planning and administration through the establishment of a semi-autonomous institution such as CEDA than might be achieved by assisting directly with the official government planning commission.

The government provides support for the salaries of CEDA staff and the cost of planning and conducting training programs for public officials. Ford Foundation is providing the new facilities for the Center on the Tribhuvan University campus and a resident technical assistance advisor. Tribhuvar University provides the campus area for the buildings and offers the possibility of integrated research and education activities with the rest of the university.

There are clear indications that during its first year that the Center has fostered some uncertainties about its role, among officialdom, and it has been groping for major purpose. Striking an acceptable balance between research and training has been the Center's most serious problem. It is reported that the staff of CEDA tended at the start to emphasize research. Evidently the Center strode vigorously into the arena of official controversy with the publication of an evaluation of official economic development plans and progress and with a severe critique of the current political system. These actions resulted in official note and criticism. Even some of its training programs for government officials, which many people feel should be the primary early thrust of the Center, have raised critical questions in the minds of some government officials about duplication of effort with that of the official staff college, an organ of the planning commission.

All in all the first year of CEDA can be described as a period of groping for a significant mission which resulted in arousing some

antagonisms and prejudices, and which caused Ford Foundation sponsors and advisors to encourage the Center to devote its main efforts to the less controversial area of administrative training.

Political Climate in Nepal: The experience of CEDA is revealing to anyone called upon to make an assessment of the feasibility of encouraging the development of a neutral institution in Nepal devoted to research and education on public policy problems. As stated by the Director of the AID mission, the current political setting "simply does not provide an atmosphere for neutral analysis of public issues."

The Panchayat system, or Panchayat democracy, in Nepal is, according to King Mahendra, designed to "fit the soil and climate of Nepal." It is claimed to be an "historic necessity" and permits no alternative. It was designed to wipe out the excesses attributed to the parlimentary system which, it is alleged, provided great opportunity for meddling and pressuring on the part of India with considerable disorder.

On the surface the system provides separated powers of the executive, legislative, and judicial branches. In fact, it is an oligarchy composed of a small ruling establishment of well-known families who surround the king. Ministers appointed by the king have no constituents and therefore no popular support. Leaders at the national and regional levels are selected through the close-knit influence mechanism which surrounds the king.

Indicative of the limitations on free and neutral analysis of policy problems under this regime is the fact that the publisher of a paper on "Preliminary Observations on Structure and Functions in the Panchayat System" is now on trial for an offense against the regime by this act of publication. Strangely enough, as of the time of the visit, the author of the paper, the Deputy Director of CEDA who was interviewed during this survey, has not been pros cuted. Nevertheless it seems that the fallout, from this experience, has had enough impact on the author that he does not contemplate the preparation of further written analyses of the political system in the immediate future.

According to American observers, there is a desperate need for a neutral organization to analyze and evaluate development efforts but the problem is how to fund it, how to make it independent, and how to encourage it without arousing official Nepalese resentment. It is said that His Majesty is shrewd, but he does not really understand the concept of neutral analysis of public policy.

Availability and Competence of Scholars: There is an attractive incentive to tap the unused potential research talent in Nepal. It is estimated that approximately one thousand people have been educated in various fields and at various levels outside of Nepal. These people together with the growing output of the university is causing a buildup of pressure "for a place in the sun" among a sizeable cadre of educated people whose opportunities are stifled. Moreover, this growing cadre of educated people

are young and represent the aspirations of youth who in growing numbers are knocking at the door of the university, who are seeking opportunities for their talents, and who are expressing dissent with current social and economic arrangements.

A singular fault with some of these bright, well-educated young people, even noticeable among those on the CEDA staff is the inclination to want to start at the top and take a macro approach to problem solving. Much attention is paid by the young economists, for instance, to building and proposing the overall economic development model for Nepal. Among the political and social scientists the tendency is to want to create the ideal political system in one-fell swoop. But the real need in Nepal is for the conduct of some small scale nitty-gritty social research out in the villages and rural areas which would evaluate development programs, and which would provide useful information to government policy makers about material and psychological changes resulting from modernization efforts.

As a member of the planning commission put it: there is less need for overall economic development model building, which has been the attraction for CEDA researchers, and more need for local sociological studies in the villages and countryside which would reveal to members of the planning commission what people are thinking and what impact development programs have had. Typical of many other developing countries,

the local Nepalese scholars who have received high quality education in the Western world do not want to undergo the inconveniences of conducting studies in the backward areas.

Estimates indicate that Nepal, for the size and scope of its research needs, is probably reasonably well-manned on the economic research side and less adequately able on the socio-political side. The major technical assistance needs fall in two areas:

1. building of a documentation center at CEDA which would bring together research and case studies from other developing countries to serve as training materials;

2. providing CEDA with foreign exchange funds to enable it to obtain a research leader from outside Nepal for six months out of each year over a period of years who train local scholars in research methods and thereby demonstrate the applicability of research to public policy problems.

AID's Contribution: It appears certain that AID's involvement in research and education on public policy problems in Nepal should be one of cautious encouragement. Given the sensitivity of the current regime to outside bilateral interference and given the greater acceptability in Nepal of multilateral assistance, AID should not play a dominant role in public policy research and education. AID can effectively assist CEDA in building up a documentation center of research materials. It can also plug certain gaps in public administration training programs such as

providing foreign exchange to bring United States scholars to participate in certain seminars when requested. Beyond that it might also pursue the possibility of funneling technical assistance for CEDA's program through United Nations agencies which appear to be operating in some force in Nepal. But the time is not ripe for a heavy direct bilateral technical assistance effort in policy research and education.